

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6317-01
Bill No.: HB 2085
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: April 17, 2012

Bill Summary: This proposal requires every applicant for a motorcycle license to show proof that he or she has successfully completed a motorcycle training course beginning January 1, 2014.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$20,900)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$20,900)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	\$3,039	\$49,187	\$49,187
Total Estimated Net Effect on <u>Other</u> State Funds	\$3,039	\$49,187	\$49,187

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Transportation** states the Department of Transportation administers the Motorcycle Safety Trust Fund which is then passed on to the Missouri Safety Center located at the University of Central Missouri. The Missouri Safety Center coordinates the statewide program and estimates additional costs of between \$300,000 to \$500,000 annually for additional training sites, personnel and resources to meet the demand of mandated training. The State of Missouri currently allocates \$425,000 to the Motorcycle Safety Trust Fund for the administration of the Missouri Motorcycle Safety Program. The source of this funding is a \$1 surcharge added to court costs for law violations and offenses. The program currently receives no funding from any motorcycle-specific sources.

In addition to the need for additional administrative personnel, these funds would be needed for:

- The opening of additional training sites to meet demand, including site operator recruiting and training;
- Purchase of additional equipment including training motorcycles; and
- Hiring and training of additional instructors, fleet maintenance and quality assurance personnel.

The current motorcycle safety program trains approximately 4500 students annually. This represents less than 2% of all motorcycle-endorsed operators in Missouri. If the number of motorcycle operators increases the same amount from 2011-2012 as in 2010-2011, it is assumed an additional 14,600 (approximate) people will have to go through training to receive a motorcycle license. Therefore, the passage of HB 2085 would require a 300% increase in funding per year in order to meet the increased demand.

Oversight assumes the Missouri Safety Center has qualified programs, instructors, effective curricula, proper equipment and motorcycle training sites located throughout the state of Missouri. Each training site charges a tuition of \$185 -\$200 per person per class. Oversight assumes the Missouri Safety Center can absorb the additional caseload that may result from this proposal.

ASSUMPTION (continued)

Officials from the **Department of Revenue - Driver License Bureau** states the proposed changes will require updates to web site information, updates to office procedures and updates to the Missouri Motorcycle Operator Manual and Missouri Driver Guide (on-line and printed versions). Based on Missouri Motorcycle Operator manuals in stock and re-order points, there may be manual destruction costs incurred by the Department to ensure all motorcycle applicants receive the most current manual. Updates to forms and letters to reflect new motorcycle license/endorsement requirements.

Completion of business requirements and user testing of changes to the Missouri Electronic Driver License system and supporting applications to implement changes to require the rider training course completion verification.

FY 13

Administrative Analyst -	200 hrs @ \$24 (1 ½) per hr =	\$4,800
Management Analyst Specialist II -	240 hrs @ \$23 per hr =	\$5,520
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$1,200</u>
Total =		\$11,520

Personnel costs for the Personnel Services Bureau for updating of DLB related forms, procedures and manuals and updating of web site information related to the motorcycle permit.

1 Administrative Analyst III -	40 hrs @ \$22.00 per hr =	\$ 880
2 Management Analysis Specialist 1 -	160 hrs @ \$20.00 per hr =	<u>\$ 3,200</u>
Total =		\$4,080

Officials from the **Department of Revenue - Information Technology-OA-ITSD** state the Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$5,300 calculated on 200 FTE hours.

In summary, Department of Revenue assumes a cost of \$20,900 (\$11,520 + \$4,080 + \$5,300) in FY 2013 to provide for the implementation of the changes in this proposal.

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ASSUMPTION (continued)

Officials from the **Department of Public Safety - Missouri Highway Patrol** assumes that the rider motorcycle training course would be required to be an approved license waiver course and would take the place of the current Highway Patrol test; therefore, motorcycle skills testing would no longer be required at Highway Patrol examination sites.

In 2011, the Driver's Examination Division conducted 5,910 motorcycle skills tests at Missouri Highway Patrol examination offices. Each motorcycle skills test takes approximately 30 minutes. Therefore, each examiner could potentially conduct 16 motorcycle tests each day (2 tests per hour x 8 hours). With 5,910 motorcycle tests conducted in 2011, this equates to 369 days of testing ($5,910/16 = 369$). Since there are 248 working days in a calendar year ($5*52 = 260 - 12 \text{ holidays} = 248$), this could potentially eliminate one examiner position if motorcycle testing was eliminated ($369/248 = 1.48 \text{ FTE}$).

1 Driver Examiner I (\$1,152*2)	\$27,648
Fringe Benefits	\$20,739
Uniform Allowance (\$800)	<u>\$ 800</u>
Total Savings	\$49,187

With the passage of this legislation, the Missouri Motorcycle Operator Manual will need to be updated. The cost to print each manual is approximately .23 cents. This information is also available on cd, and the cost to burn each CD is also .23 cents.

65,000 motorcycle manuals x .23 cents = \$14,950
 100,000 CDs x .23 cents = \$23,000 (Each CD includes both the motorcycle manual and driver guide). The total cost to reprint manuals and burn CDs is approximately \$37,950 (\$14,950 + \$23,000) in FY 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost</u> - Department of Revenue	<u>(\$20,900)</u>	<u>\$0</u>	<u>\$0</u>
Administrative cost			
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$20,900)</u>	<u>\$0</u>	<u>\$0</u>

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<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
HIGHWAY FUND			
<u>Savings</u> - Missouri Highway Patrol Reduction in Staff	\$40,989	\$49,187	\$49,187
<u>Cost</u> - Missouri Highway Patrol Administrative cost for printing	<u>(\$37,950)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE HIGHWAY FUND	<u>\$3,039</u>	<u>\$49,187</u>	<u>\$49,187</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will require applicants for a motorcycle license and/or endorsement to complete a motorcycle rider training course and pay the required fees to an approved training site. This proposed requirement could increase training fee revenues for approved training sites and more training sites could be added.

The University of Central Missouri Safety Center and Missouri Department of Transportation, Highway Safety Division currently oversees the Missouri motorcycle riders training program.

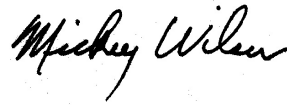
FISCAL DESCRIPTION

This proposal requires, beginning January 1, 2014, a person applying for a motorcycle license or endorsement to show proof that he or she has successfully completed an approved motorcycle training course.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety
Office of the State Courts Administrator
Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 17, 2012